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Washington D.C. 20549

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/03 **AND ENDING** 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Empirical Research Partners LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

477 Madison Avenue, 23rd Floor

(No. and Street)

OFFICIAL USE ONLY

FIRM ID. NO.

New York

NY

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael Goldstein

(212) 803-8000

(Area Code- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein Golub Kessler LLP

(Name - if individual, state last, first, middle name)

1185 Avenue of the Americas

New York

NY

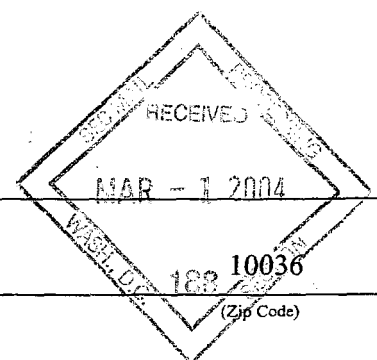
(Address)

(City)

(State)

10036

(Zip Code)



CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 25 2004

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**THOMSON
FINANCIAL**

* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

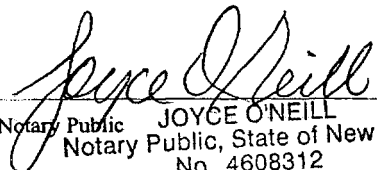
SEC 1410 (06-02)

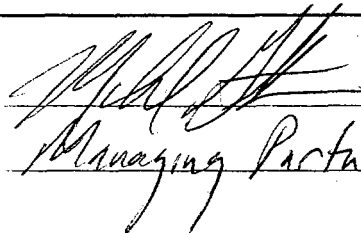
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SW

OATH OR AFFIRMATION

I, Michael Goldstein swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Empirical Research Partners LLC, as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

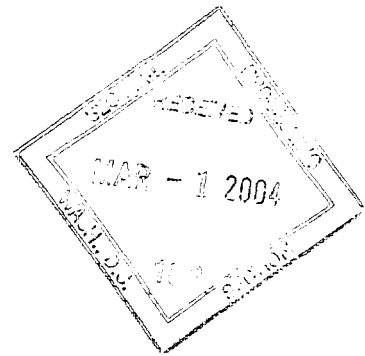
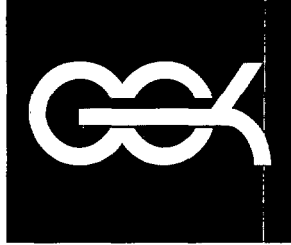

Notary Public JOYCE O'NEILL
Notary Public, State of New York
No. 4608312
Qualified in Nassau County
Commission Expires 7/31/05


Managing Partner Signature
Title

This report** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e) (3).



EMPIRICAL RESEARCH PARTNERS, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

GOLDSTEIN GOLUB KESSLER LLP
Certified Public Accountants and Consultants



EMPIRICAL RESEARCH PARTNERS, LLC

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GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT

To the Member of
Empirical Research Partners, LLC

We have audited the accompanying statement of financial condition of Empirical Research Partners, LLC as of December 31, 2003. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Empirical Research Partners, LLC as of December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

February 12, 2004

□

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EMPIRICAL RESEARCH PARTNERS, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2003

ASSETS

Cash	\$2,556,268
Due from Brokers	212,356
Property, Equipment and Leasehold Improvements, at cost - net of accumulated depreciation and amortization of \$88,480	903,639
Prepaid Expenses and Other Assets	295,927
Total Assets	\$3,968,190

LIABILITIES AND MEMBER'S EQUITY

Liabilities - accrued expenses and other liabilities	\$1,113,039
Total liabilities	1,113,039
Member's Equity	2,855,151
Total Liabilities and Member's Equity	\$3,968,190

See Notes to Statement of Financial Condition

EMPIRICAL RESEARCH PARTNERS, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2003

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Empirical Research Partners, LLC (the "Company") is a single-member limited liability company formed pursuant to and in accordance with the Delaware Limited Liability Company Act. The Company commenced operations in 2003. The Company is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the National Association of Securities Dealers, Inc. (the "NASD").

The Company prepares research in the areas of portfolio strategy, quantitative modeling for stock selection and money management business strategy which is provided to institutional investors. These include mutual funds, banks, insurance companies, pension funds and hedge funds. The Company is compensated for its research in three ways:

1. Commissions earned on transactions in which the Company acts as an introducing broker. The Company shares in this revenue with its three clearing brokers.
2. Payments from other brokerage firms representing the transfer of commissions as directed by its clients.
3. Payments directly from clients.

For category one, revenue is recognized on a trade-date basis, while in categories two and three, they are recognized when the research is utilized by the customer and the customer advises the Company of its usage.

This financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by the Member.

The Company does not carry accounts for customers or perform custodial functions related to customers' securities. The Company introduces all its customer transactions, which are not reflected in these financial statements, to its clearing brokers, which maintains the customers' accounts and clears such transactions.

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation is based on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the life of the lease.

The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such amounts and does not believe it is exposed to any significant credit risk on cash.

As a single-member limited liability company, the Company is not subject to federal, state or local income taxes. The Company's income or loss is reportable by its Member on its personal income tax return.

EMPIRICAL RESEARCH PARTNERS, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2003

2. DUE FROM BROKERS:

The clearing and depository operations for the Company's security transactions are provided primarily by three brokers pursuant to clearance agreements. At December 31, 2003, the amount due from clearing brokers represents commissions receivable earned as an introducing broker for the transactions of its customers.

The Company has agreed to indemnify its clearing brokers for losses that the clearing brokers may sustain from customers' accounts introduced by the Company. At December 31, 2003, there were no significant unsecured amounts owed to the clearing brokers by these customers in connection with normal margin, cash and delivery against payment transactions.

3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

		Estimated Useful Life
Leasehold improvements	\$691,204	Lease term
Furniture and fixtures	138,350	7 years
Equipment	162,565	3 years
	992,119	
Less accumulated depreciation and amortization	88,480	
	<u>\$903,639</u>	

4. COMMITMENT:

The Company leases office space under a noncancelable lease expiring in September 2012. Future minimum annual lease payments are as follows:

Year ending December 31,

2004	\$ 243,810
2005	243,810
2006	243,810
2007	246,645
Thereafter	1,211,963
	<u>\$2,190,038</u>

The lease contains provisions for escalations based on increases in certain costs incurred by the lessor.

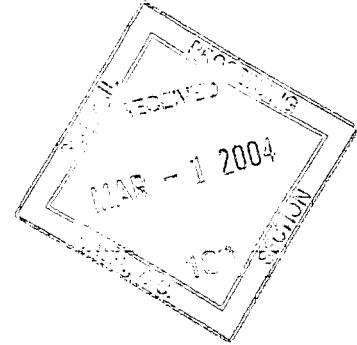
Other assets include a certificate of deposit which collateralizes a letter of credit for the benefit of the landlord, in the amount of \$121,905.

EMPIRICAL RESEARCH PARTNERS, LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION December 31, 2003

**5. NET CAPITAL
REQUIREMENT:**

As a broker-dealer and member organization of the NASD, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1, which requires that the Company maintain minimum net capital of 12.50% of aggregate indebtedness, (for the initial 12 months after commencing business as a broker-dealer) as defined, or \$5,000, whichever is greater. At December 31, 2003, the Company had net capital of \$1,670,585, which exceeded its requirement of \$139,130 by \$1,531,455.



EMPIRICAL RESEARCH PARTNERS, LLC

**INDEPENDENT AUDITOR'S
SUPPLEMENTARY REPORT ON
INTERNAL CONTROL**

DECEMBER 31, 2003

GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



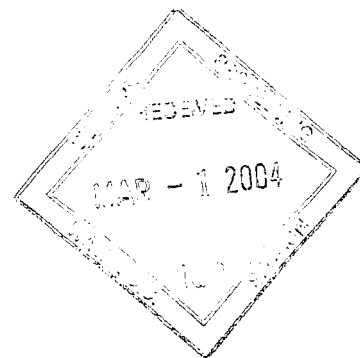


GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL CONTROL



Member of Empirical Research Partners, LLC

In planning and performing our audit of the financial statements and supplemental schedule of Empirical Research Partners, LLC (the "Company") for the year ended December 31, 2003, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the SEC's objectives.

This report recognizes that it is not practicable in an organization the size of Empirical Research Partners, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal control and that, alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Goldstein Golub Kessler LLP

GOLDSTEIN GOLUB KESSLER LLP

February 12, 2004